
**SECOND HARVEST FOOD BANK OF GREATER
NEW ORLEANS AND ACADIANA**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date 3/2/11



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**SECOND HARVEST FOOD BANK OF GREATER
NEW ORLEANS AND ACADIANA**

CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

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Report of Independent Auditors

Board of Directors, Catholic Charities Archdiocese of New Orleans, and
Board of Directors, Second Harvest Food Bank of Greater New Orleans and Acadiana

We have audited the accompanying statements of financial position of Second Harvest Food Bank of Greater New Orleans and Acadiana (Second Harvest), a non-profit organization, as of June 30, 2010 and 2009 and the related statements of activities, functional expenses, and cash flows for the years then ended. These consolidated financial statements are the responsibility of Second Harvest's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement. We were not engaged to perform an audit of Second Harvest's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Second Harvest's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the consolidated financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall consolidated financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Second Harvest at June 30, 2010 and 2009, and the changes in its net assets and its cash flows for the years then ended, in conformity with accounting principles generally accepted in the United States.

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2010 on our consideration of Second Harvest's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Our audits were performed for the purpose of forming an opinion on the basic consolidated financial statements of Second Harvest Food Bank of Greater New Orleans and Acadiana taken as a whole. The supplemental financial information contained on pages 23 through 28 is presented for purposes of additional analysis and is not a required part of the basic consolidated financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic consolidated financial statements taken as a whole. The supplemental information in the schedule of support, revenue, and expenses prepared for the United Way for the Greater New Orleans Area contained on page 29 is presented for the purpose of additional analysis and is not a required part of the basic consolidated financial statements of Second Harvest. Such information has not been subjected to the auditing procedures applied in the audit of the basic consolidated financial statements, and accordingly, we do not express an opinion on it.

Postmaster: Not to be used

Metairie, Louisiana
December 15, 2010

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

JUNE 30, 2010 AND 2009

ASSETS

	<u>2010</u>	<u>2009</u>
Current assets:		
Cash and cash equivalents	\$ 4,573,795	\$ 5,317,863
Contributions receivable:		
Pledges	498,366	803,635
United Way	165,442	139,950
Grants receivable	450,748	204,269
Other receivables	56,165	4,791
Accrued interest	-	6,139
Prepaid expenses	117,720	26,718
Investments	1,338,633	1,024,965
Inventory	2,303,800	1,962,669
Total current assets	<u>9,504,669</u>	<u>9,490,999</u>
Property and equipment - net	8,050,576	2,095,761
Investments, permanently restricted	1,000,000	1,000,000
Other assets	508,415	33,546
Total assets	<u>\$ 19,063,660</u>	<u>\$ 12,620,306</u>

LIABILITIES AND NET ASSETS

Current liabilities:		
Accounts payable and accrued expenses	\$ 631,883	\$ 234,376
Unemployment accrual	20,496	12,277
Note payable	5,119,385	-
Other liabilities	57,155	-
Total current liabilities	<u>5,828,919</u>	<u>246,653</u>
Net assets:		
Unrestricted	9,410,927	8,138,091
Temporarily restricted	2,823,814	3,235,562
Permanently restricted	1,000,000	1,000,000
Total net assets	<u>13,234,741</u>	<u>12,373,653</u>
Total liabilities and net assets	<u>\$ 19,063,660</u>	<u>\$ 12,620,306</u>

See notes to consolidated financial statements.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

CONSOLIDATED STATEMENTS OF ACTIVITIES

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Temporarily Restricted	Permanently Restricted
Revenues						
Public support:						
Contributions, donations and grants	\$ 3,433,779	\$ 379,236	\$ -	\$ 3,813,015	\$ 314,644	\$ -
Donations of food, grocery and other products from producers and brokers	19,033,266	-	-	19,033,266	20,890,927	-
Contributed goods and services	179,100	-	-	179,100	271,041	-
United Way	-	-	-	-	-	-
Greater New Orleans:						
Allocations	-	77,000	-	77,000	77,000	-
Designations	62,712	-	-	62,712	-	-
Combined Federal Campaign	31,207	-	-	31,207	-	-
Acadiana:						
Allocations	30,000	-	-	30,000	-	-
St. Charles:						
Allocations	-	62,950	-	62,950	62,950	-
Special events (net of direct costs)	354,550	-	-	354,550	(12,604)	-
Total public support	23,124,614	519,186	-	23,643,800	24,391,903	-
Governmental financial assistance:						
Fees and grants from federal agencies	1,188,282	-	-	1,188,282	1,011,522	-
U.S.D.A. commodities	11,608,067	-	-	11,608,067	3,816,754	-
Other non-Federal grants	582,669	-	-	582,669	5,000,000	-
Total governmental financial assistance	13,379,018	-	-	13,379,018	9,828,276	-
Other Revenue:						
Program generated	38,829	-	-	38,829	17,497	-
Investment income (loss)	315,371	-	-	315,371	(246,978)	(154,312)
Rental income	240,832	-	-	240,832	-	-
Gain on exchange	530,071	-	-	530,071	-	-
Other	284,735	-	-	284,735	41,025	-
Net assets released from restrictions - operations	930,934	(930,934)	-	-	(495,165)	-
Total other revenue	2,340,772	(930,934)	-	1,409,838	(495,165)	-
Total revenue	38,844,404	(411,748)	-	38,432,656	(40,571)	-
Expenses						
Program services	35,911,051	-	-	33,788,011	-	-
Management and general	767,474	-	-	682,588	-	-
Fundraising	893,043	-	-	723,898	-	-
Total expenses	37,571,568	-	-	35,194,497	-	-
Change in net assets	1,272,836	(411,748)	-	(667,609)	(40,571)	(154,312)
Net Assets						
Beginning of year	8,138,091	3,235,562	1,000,000	8,805,700	3,276,133	1,154,312
End of year	\$ 9,410,927	\$ 2,823,814	\$ 1,000,000	\$ 8,138,091	\$ 3,235,562	\$ 1,000,000

See notes to consolidated financial statements.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	2010			2009				
	Program Services	Management and General	Fundraising	Total	Program Services	Management and General	Fundraising	Total
Salaries	\$ 1,817,732	\$ 366,089	\$ 281,817	\$ 2,465,638	\$ 1,141,670	\$ 343,659	\$ 268,641	\$ 1,753,970
Employee benefits	212,091	47,447	35,602	295,140	115,574	63,599	28,169	207,342
Payroll taxes	132,371	20,722	27,278	180,371	83,907	24,167	19,926	128,000
Total salaries and related expenses	2,162,194	434,258	344,697	2,941,149	1,341,151	431,425	316,736	2,089,312
Professional fees and contract services	150,505	149,989	26,347	326,841	326,177	138,651	16,092	480,920
Supplies	119,984	9,611	24,367	153,962	194,986	13,878	13,693	222,557
Consultant fees	-	12,550	-	12,550	-	-	-	-
Equipment expense	117,426	66,367	11,834	195,627	70,155	10,001	1,414	81,570
Occupancy	464,728	61	23,302	488,091	383,142	6,259	28,432	417,833
Travel and transportation	636,854	2,150	1,540	640,544	654,218	3,308	2,270	659,796
Personnel recruitment and development	106,705	81,931	38,814	227,450	141,881	37,001	7,071	185,953
Insurance	113,532	-	-	113,532	50,781	-	-	50,781
Mailings and solicitations	298,714	-	386,026	684,740	26,154	-	267,982	294,136
Food distributed to member agencies	30,404,037	-	-	30,404,037	27,805,420	-	60,076	27,865,496
Food purchased on behalf of LFBA	386,204	-	-	386,204	2,431,000	-	-	2,431,000
Interest expense on mortgage	171,194	-	-	171,194	-	-	-	-
Other operating expenses	431,250	8,828	33,776	473,854	113,390	25,412	4,362	143,164
Miscellaneous	-	283	-	283	11,028	11,339	4,720	27,087
Depreciation	347,724	1,446	2,340	351,510	238,528	5,314	1,050	244,892
Total expenses	\$ 35,911,051	\$ 767,474	\$ 893,043	\$ 37,571,568	\$ 33,788,011	\$ 682,588	\$ 723,898	\$ 35,194,497

See notes to consolidated financial statements.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

STATEMENTS OF CONSOLIDATED CASH FLOWS

FOR THE YEARS ENDED JUNE 30, 2010 AND 2009

	<u>2010</u>	<u>2009</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 861,088	\$ (862,492)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Gain on exchange	(530,071)	-
Depreciation	351,510	244,892
Unrealized and realized loss on investments	6,139	506,094
Noncash contributions	(194,121)	(182,826)
Changes in assets and liabilities:		
Accounts and other receivables	(18,076)	(364,001)
Other assets	(474,869)	(17,305)
Prepaid expenses	(91,002)	(18,970)
Undistributed food and grocery products on hand	(341,131)	186,241
Accounts payable and accrued expenses	397,507	(309,397)
Unemployment reserve	8,219	(5,500)
Other liabilities	57,155	-
Net cash provided by (used in) operating activities	<u>32,348</u>	<u>(823,264)</u>
Cash Flows from Investing Activities		
Purchase of investments, net	(313,668)	(37,065)
Purchases of property and equipment	<u>(418,186)</u>	<u>(33,921)</u>
Net cash used in investing activities	<u>(731,854)</u>	<u>(70,986)</u>
Cash Flows from Financing Activities		
Principal payments on note	<u>(44,562)</u>	<u>-</u>
Net cash used in financing activities	<u>(44,562)</u>	<u>-</u>
Net decrease in cash	<u>(744,068)</u>	<u>(894,250)</u>
Cash		
Beginning of year	5,317,863	6,212,113
End of year	<u>\$ 4,573,795</u>	<u>\$ 5,317,863</u>
Supplemental disclosure for cash flow information		
Cash paid during the year for interest	<u>\$ 171,194</u>	<u>\$ -</u>
Non-Cash Transactions		
Donated software and vehicles	<u>\$ 194,121</u>	<u>\$ 182,826</u>

During the year ended June 30, 2010, Second Harvest acquired a warehouse and the related land in exchange for the transfer of ownership of its existing warehouse and related land, and the assumption of debt in the amount of \$5,163,947.

See notes to consolidated financial statements.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

1. Organization and Significant Accounting Policies

Nature of Activities

Second Harvest Food Bank of Greater New Orleans and Acadiana (Second Harvest), a Louisiana non-profit corporation, is a certified member of Feeding America. Its function is to help relieve the problem of hunger in Louisiana through the distribution of food and related products to qualified charitable institutions. Catholic Charities Archdiocese of New Orleans (Catholic Charities) is the sole member of Second Harvest.

Second Harvest 700 Edwards, LLC (Second Harvest LLC) was incorporated as a non-profit limited liability company in accordance with the Delaware Limited Liability Company Act, as amended, on December 29, 2009. Second Harvest is the sole equity member and Catholic Charities the special member.

The consolidated financial statements include the financial statements of Second Harvest and its controlled subsidiary, Second Harvest LLC. All significant intercompany balances and transactions have been eliminated in consolidation.

For the years ended June 30, 2010 and 2009, Second Harvest entered into Cooperative Endeavor Agreements with the Louisiana Department of Agriculture & Forestry of the State of Louisiana for the sum of \$500,000 and \$5,000,000, respectively. The purpose of the agreements was to purchase 800,000 and 6,000,000 pounds, respectively, of nutritional food from Louisiana farmers, manufacturers, wholesalers, and vendors to feed and adequately nourish people throughout the State of Louisiana who are food insecure. The program is titled Louisiana Nutrition Assistance Program (LANIAP). Subcontracts were entered into with Feeding America's certified member Food Banks located in the State of Louisiana (Food Banks) and Second Harvest detailing the amount each food bank was eligible to receive in purchased food products and the reporting requirements each food bank would have to fulfill. The five Food Banks created an association called the Louisiana Food Bank Association, Inc. (LFBA) which was incorporated as a non-profit corporation within the State of Louisiana on May 18, 2007. LFBA designated Second Harvest to serve as its fiscal agent. For the years ended June 30, 2010 and 2009, 1,340,816 and 9,672,945 pounds, respectively, had been purchased for the five Food Banks of the Louisiana Food Bank Association through the LANIAP program. Second Harvest ended its fiscal agent relationship on June 30, 2010.

Basis of Accounting

The consolidated financial statements of Second Harvest are prepared on the accrual basis of accounting.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

1. Organization and Significant Accounting Policies (continued)

Basis of Presentation

Second Harvest reports information regarding its financial position and activities according to three classes of net assets: unrestricted net assets, temporarily restricted net assets, and permanently restricted net assets.

Use of Estimates

The preparation of consolidated financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of income and expenses during the reporting period. Actual results could differ from these estimates.

Inventory

Second Harvest's inventory is comprised of donated food and grocery products, U.S.D.A. commodities and purchased food and grocery products. Donated food inventory including food received, distributed and undistributed, is valued using the estimated fair value as determined by the Feeding America Product Valuation Survey prepared by KPMG, LLP on an annual basis. The report provides the average wholesale value of products donated to the network and is considered to be a reasonable basis upon which to estimate these amounts. The average wholesale value used for the years ended June 30, 2010 and 2009, was \$1.60 per pound and \$1.58 per pound, respectively.

U.S.D.A. commodities are valued based on U.S.D.A. regulations. On February 18, 2010, the U.S.D.A. issued a policy memorandum providing updated guidance on assigning value to U.S.D.A. product. The memorandum allowed for the use of fair market value (FMV), U.S.D.A. purchase price, estimated cost-per-pound data provided by U.S.D.A., or U.S.D.A. commodity file cost as of a date specified by the distributing agency. The U.S.D.A. document references a food bank's FMV valuation as an acceptable valuation. Feeding America determined that the usage of the Feeding America Product Valuation Survey is fully permitted under these guidelines. Second Harvest adopted the FMV method of assigning value to its U.S.D.A. product for fiscal year 2010. For fiscal year 2009, Second Harvest used the U.S.D.A. average per pound valuation. The valuation for U.S.D.A. commodities received during the years ended June 30, 2010 and 2009 was \$1.60 and \$0.56 per pound, respectively. As further discussed in Note 7, the change in value was recorded as a change in estimate of the value of the U.S.D.A. food products in the consolidated Statement of Activities.

Purchased food inventory is recorded at cost.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

1. Organization and Significant Accounting Policies (continued)

Cash and Cash Equivalents

For the purposes of the consolidated statements of cash flows, Second Harvest considers all unrestricted, highly liquid, short-term investments, including money market account deposits, commercial paper investments and certificates of deposit purchased with an initial maturity of ninety days or less to be cash equivalents.

Investments

Second Harvest carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the consolidated statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying consolidated statements of activities. Unrealized gains and losses on investments recorded at fair value are included in the consolidated statements of activities as increases or decreases in unrestricted net assets unless their use is temporarily or permanently restricted by explicit donor stipulations or law. Interest earned on donor-restricted investments is reported based on the existence or absence of donor-imposed restrictions. Realized gains and losses, and declines in value judged to be other than temporary, are included in net appreciation (depreciation) of investments. Realized gains and losses on the sales of securities are determined using the specific-identification method. A decline in the fair value of investments below cost that is deemed to be other than temporary results in a charge to change in net assets and the establishment of a new cost basis for the investment.

Property and Equipment

Second Harvest has adopted the practice of capitalizing all expenditures for depreciable assets where the unit cost exceeds \$2,000. Property is stated at cost, or at fair market value for donated assets. Depreciation of these assets is provided over their estimated useful lives, which range from three years to twenty-five years, on a straight-line basis. Repairs and maintenance costs are expensed.

Net Assets

Net assets are included in one of the following three classes of net assets, depending on the presence and type of donor-imposed restrictions.

Unrestricted Net Assets - Those net assets whose use is not restricted by donors. As of June 30, 2010 and 2009, the Board of Directors of Second Harvest (the Board) has designated \$2,347,000, of cash and cash equivalents, included in unrestricted net assets, for food purchases and toward a capital campaign to raise funds for a new warehouse.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

1. Organization and Significant Accounting Policies (continued)

Temporarily Restricted Net Assets - Those net assets whose use by Second Harvest has been limited by donors (a) to later periods of time or after specified dates, or (b) to specific purposes.

Permanently Restricted Net Assets - Those net assets that must be maintained in perpetuity due to donor-imposed restrictions that will neither expire with the passage of time nor be removed by meeting certain requirements.

Contributions and Revenue Recognition

Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted support, depending on the existence or nature of any donor restrictions. Support that is restricted by a donor is reported as an increase in temporarily or permanently restricted net assets, depending on the nature of restrictions. Other support and/or contributions not restricted are recorded as unrestricted revenue. When a restriction expires (that is, when a stipulated time restriction ends or a purpose restriction is accomplished), temporarily restricted net assets are reclassified to unrestricted net assets and reported in the consolidated statements of activities as net assets released from restrictions. Donor restricted contributions whose restrictions are met in the same reporting period are reported as unrestricted support. The value of contributed goods and services has been recorded as support and revenue and expense in the period received, provided there is an objective basis for measurement of the value of such goods and services, and they are significant and form an integral part of the efforts of the program.

Contributions receivable are recognized when the donor makes a promise to give to Second Harvest that is, in substance, unconditional. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributions of donated non-cash assets are recorded at their fair values in the period received. Such donations are reported as unrestricted support unless the donor has restricted the donated assets to a specific purpose. During the year ended June 30, 2010 and 2009, Second Harvest recognized \$194,121 and \$170,331 for donated vehicles, respectively. For the year ended June 30, 2009, Second Harvest recognized \$12,495 for donated software.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

1. Organization and Significant Accounting Policies (continued)

Donated Services

Support arising from donated services is recognized if the services received (a) create or enhance long-lived assets, or (b) require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation.

During the year ended June 30, 2010 and 2009, Second Harvest recognized \$179,100 and \$88,215 for donated advertising services. The related advertising costs were expensed as incurred.

The donated volunteer services in Second Harvest's functional areas approximated 32,914 hours for the year ended June 30, 2010, and 26,034 hours for the year ended June 30, 2009. The services provided for the years ended June 30, 2010 and 2009 do not meet either criterion described above. The computation of the value of these services represents the amount of compensation, which would be paid if non-volunteer personnel were to occupy these positions. The 32,914 hours in 2010 and 26,034 hours in 2009 that do not meet either of the recognition criteria described above have not been recognized in the accompanying consolidated financial statements. The value for donated volunteer services for the years ended June 30, 2010 and 2009 was approximately \$686,258 and \$527,179, respectively.

Income Taxes

Second Harvest is a not-for-profit corporation organized under the laws of the State of Louisiana. They are exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code, and qualify as organizations that are not private foundations as defined in Section 509(a) of the code.

Generally accepted accounting principles require an organization to account for uncertainties in income taxes. The interpretation requires recognition and measurement of uncertain income tax positions using a "more-likely-than-not" approach. Second Harvest adopted the provisions of the interpretation at the beginning of fiscal year 2010 with no material impact on its financial statements. Second Harvest's tax returns for the years ended June 30, 2009, June 30, 2008, and June 30, 2007 remain open and subject to examination by taxing authorities.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

2. Grants Receivable

The grants receivable balance as of June 30 consists of the following:

	<u>2010</u>	<u>2009</u>
U.S.D.A. distribution fees	\$ 212,579	\$ 155,329
Emergency Food and Shelter Program	59,552	34,940
Department of Children and Family Services	178,617	-
Community Development Block Grant	-	14,000
	<u>\$ 450,748</u>	<u>\$ 204,269</u>

3. Contributions Receivable

Contributions receivable as of June 30 consist of the following:

	<u>2010</u>	<u>2009</u>
Feeding America	\$ 141,773	\$ 36,128
Baptist Community Ministries	120,000	-
Junior League of New Orleans	100,000	100,000
Blue Cross Blue Shield of Louisiana	51,040	-
Methodist Health Systems Foundation	50,000	-
Other	31,065	56,370
Contributions	4,488	11,137
Catholic Charities USA	-	600,000
	<u>\$ 498,366</u>	<u>\$ 803,635</u>

Contributions receivable are due within one year.

4. Investments

Investments of the various agencies of the Archdiocese of New Orleans (the Archdiocese) are held in pooled assets and separately invested portfolios. Pooled assets represent funds that are invested in a commingled portfolio of investments, as opposed to separately invested assets which have segregated investments. Investments in such pooled assets consist primarily of debt and equity securities and mutual fund investments. The amounts recorded in the consolidated statements of financial position represents Second Harvest's share of the pool.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

4. Investments (continued)

The following summarizes the market value and the investment return for the years ended June 30:

	<u>2010</u>	<u>2009</u>
Investment balances at June 30,	<u>\$ 2,338,633</u>	<u>\$ 2,024,965</u>
For the year ended June 30,		
Unrealized gain (loss) on investments	\$ 257,288	\$ (504,695)
Realized loss	<u>(6,978)</u>	<u>(1,399)</u>
	250,310	(506,094)
Interest and dividend income	<u>65,061</u>	<u>104,804</u>
Investment income (loss)	<u>\$ 315,371</u>	<u>\$ (401,290)</u>

The current and long-term value of investments at June 30, 2010, is \$1,338,633 and \$1,000,000 respectively. The current and long-term value of investments at June 30, 2009 is \$1,024,965 and \$1,000,000, respectively.

5. Fair Value of Financial Instruments

U.S. generally accepted accounting principles (GAAP) defines fair value, establishes a framework for measuring fair value, and expands disclosure about fair value. Fair value concepts are applied in recording investments. GAAP establishes a fair value hierarchy which prioritizes inputs to valuation techniques used to measure fair value. The term "inputs" refers broadly to the assumptions that market participants would use in pricing an asset or liability. Inputs may be based on independent market data ("observable inputs") or they may be internally developed ("unobservable inputs"). The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad categories. These levels include Level 1, unadjusted quoted prices in active markets for identical assets or liabilities; Level 2, directly or indirectly observable inputs other than quoted prices for the asset or liability, such as the quoted market prices for similar assets or liabilities; and Level 3, unobservable inputs for use when little or no market data exists, therefore, requiring an entity to develop its own assumptions.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of the unobservable inputs.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

5. Fair Value of Financial Instruments (continued)

Investments of Second Harvest are held in pooled assets and separately invested portfolios. Second Harvest's investments are in Portfolio A of the pool. The custodian of this portfolio uses independent pricing services, where available, to value the securities included in this portfolio. If an independent pricing service does not value a security or the value is not, in the view of the custodian, representative of the market value, the custodian will attempt to obtain a price quote from a secondary pricing source, which may include third party brokers, investment advisers, principal market makers or affiliated pricing services. If a secondary source is unable to provide a price, the custodian may obtain a quotation from the counterparty that sold the security.

More specifically, the custodian uses quoted market prices for valuing government obligations, corporate stocks, and foreign equities which are all classified within Level 1 of the fair value hierarchy. The custodian uses quoted market prices, which represent the net asset value per unit, to value mutual and money market funds, which are also classified within Level 1 of the fair value hierarchy. Fixed income securities included in this portfolio, such as government agency mortgage obligations and corporate and foreign obligations are classified within Level 2 of the fair value hierarchy and are valued based on bid-side quotations or evaluated bids based on internal models used by the custodian's independent pricing service. Other alternative investments are valued at an evaluated price provided by a counterparty or fund manager that may or may not be an affiliate of the Portfolio A custodian.

The following table sets forth by level, within the fair value hierarchy, the Second Harvest's pro-rata interest in the portfolio assets at fair value as of June 30, 2010:

	Level 1	Level 2	Level 3	Total
Cash and money market funds	\$ 137,756	\$ -	\$ -	\$ 137,756
Government obligations	99,415	-	-	99,415
Government agency mortgage obligations	-	229,759	-	229,759
Corporation obligations	-	161,632	-	161,632
Foreign obligations	-	57,605	-	57,605
Corporate stocks - real estate industry	55,885	-	-	55,885
Foreign equities - real estate industry	75,093	-	-	75,093
Mutual funds	-	-	-	-
U.S. large blend	775,103	-	-	775,103
Foreign large blend	321,885	-	-	321,885
Real estate	103,495	-	-	103,495
Exchange traded fund	41,066	-	-	41,066
Siguler Guff Distressed Opportunity Fund III, LP	-	-	122,617	122,617
Meridian Diversified Fund, Ltd.	-	-	157,322	157,322
	<u>\$ 1,609,698</u>	<u>\$ 448,996</u>	<u>\$ 279,939</u>	<u>\$ 2,338,633</u>

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

5. Fair Value of Financial Instruments (continued)

The following table sets forth by level, within the fair value hierarchy, the Second Harvest's pro-rata interest in the portfolio assets at fair value as of June 30, 2009:

	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Cash and money market funds	\$ 196,459	\$ -	\$ -	\$ 196,459
Government obligations	92,346	-	-	92,346
Government agency mortgage obligations	-	162,631	-	162,631
Corporation obligations	-	229,462	-	229,462
Foreign obligations	-	86,537	-	86,537
Corporate stocks - real estate industry	70,103	-	-	70,103
Foreign equities - real estate industry	103,228	-	-	103,228
Mutual funds	898,938	-	-	898,938
Siguler Guff Distressed Opportunity Fund III, LP	-	-	57,964	57,964
Meridian Diversified Fund, Ltd.	-	-	127,297	127,297
	<u>\$ 1,361,074</u>	<u>\$ 478,630</u>	<u>\$ 185,261</u>	<u>\$ 2,024,965</u>

6. Inventory

Undistributed food and grocery products at June 30 consist of the following:

	<u>2010</u>		<u>2009</u>	
	<u>Dollars \$</u>	<u>Pounds</u>	<u>Dollars \$</u>	<u>Pounds</u>
Donated and purchased	\$ 1,714,464	1,073,100	\$ 1,320,930	910,384
U.S.D.A commodities	589,336	368,335	473,259	624,228
LANIAP purchased product	-	-	168,480	369,271
	<u>\$ 2,303,800</u>	<u>1,441,435</u>	<u>\$ 1,962,669</u>	<u>1,903,883</u>

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

7. Second Harvest Food and Grocery Products Received and Distributed

Second Harvest receipts and distribution of food and grocery products for the years ended June 30 were as follows:

	2010		2009	
	Dollars	Pounds	Dollars	Pounds
Receipts:				
Donated product	\$ 18,839,145	11,774,466	\$ 21,214,366	13,426,814
Purchased product	296,066	355,392	221,840	299,738
U.S.D.A. commodities	11,608,067	7,255,042	3,816,754	6,702,993
LANIAP Purchased product	142,984	409,405	2,262,679	4,803,163
Totals	<u>\$ 30,886,262</u>	<u>19,794,305</u>	<u>\$ 27,515,639</u>	<u>25,232,708</u>
Distributions, net of adjustments:				
Donated product	\$ 18,449,548	11,612,181	\$ 21,758,094	13,770,994
Purchased product	292,129	354,961	215,845	291,045
U.S.D.A. commodities	11,491,990	7,510,935	3,416,731	6,288,098
LANIAP Purchased product	311,464	778,676	2,311,210	4,861,034
Totals	<u>\$ 30,545,131</u>	<u>20,256,753</u>	<u>\$ 27,701,880</u>	<u>25,211,171</u>

During the years ended June 30, 2010 and 2009, Second Harvest purchased \$386,204 and \$2,431,000, respectively, food and grocery products on behalf of the Louisiana Food Bank Association.

As described in Note 1, Second Harvest changed from using the average price per pound in 2009 to the Feeding America valuation to determine the value of its U.S.D.A products for fiscal year 2010. The valuation for U.S.D.A. commodities received during the years ended June 30, 2010 and 2009 was \$1.60 and \$0.56, respectively. The change in value was recorded as a change in estimate of the value of the U.S.D.A. food products in the consolidated statements of activities. The effect of the change in estimate was an increase in fiscal year 2010 receipts of U.S.D.A. commodities of \$7,545,244 and an increase in fiscal year 2010 distributions of U.S.D.A. commodities of \$7,162,175, for a net increase in net assets of \$383,069 for the year ended June 30, 2010.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

8. Property and Equipment

A summary of property and equipment at June 30 is as follows:

	<u>2010</u>	<u>2009</u>
Building and improvements	\$ 5,129,794	\$ 2,033,442
Furniture, fixtures and equipment	880,617	809,063
Automobiles	1,172,354	781,777
Land	1,960,000	452,800
Leasehold improvements	36,549	36,549
Construction in progress	60,382	-
	<u>9,239,696</u>	<u>4,113,631</u>
Less: accumulated depreciation	<u>(1,189,120)</u>	<u>(2,017,870)</u>
	<u>\$ 8,050,576</u>	<u>\$ 2,095,761</u>

9. Restrictions on Net Assets

Temporarily restricted net assets are restricted by donors for specific programs, purposes, or to assist specific departments of Second Harvest. These restrictions are considered to expire when expenditures for restricted purposes are made.

Temporarily restricted net assets at June 30 are restricted as follows:

	<u>2010</u>	<u>2009</u>
Feeding America grant	\$ 14,876	\$ 57,380
Other private grants	1,366,458	1,282,244
United Way grants	139,950	139,950
Backpack grants	168,570	187,264
Capital Campaign	1,133,960	1,208,172
Property and equipment	-	360,552
	<u>\$ 2,823,814</u>	<u>\$ 3,235,562</u>

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

9. Restrictions on Net Assets (continued)

The following temporarily restricted net assets were released during the years ended June 30, due to satisfaction of donor restrictions:

	<u>2010</u>	<u>2009</u>
Feeding America grant	\$ 42,504	\$ 59,049
Other private grants	136,452	226,750
United Way grants	130,750	-
Backpack grants	187,264	165,184
Capital Campaign	73,412	10,182
Property and equipment	<u>360,552</u>	<u>34,000</u>
Totals	<u>\$ 930,934</u>	<u>\$ 495,165</u>

Permanently restricted net assets consist of endowment fund assets (Note 10) to be held indefinitely.

10. Endowment

The Board of Second Harvest is of the belief that they have a strong fiduciary duty to manage the assets of Second Harvest's endowments in the most prudent manner possible. The Board recognizes that the intent of the endowment is to protect the donor with respect to expenditures from endowments. If this intent is clearly expressed by the donor, whether the intent is in a written gift instrument or not, the intent of the donor is followed. If not expressed, the Board ensures the assets of the endowment are spent in a prudent manner which considers the purpose of the fund, current economic conditions, and preservation of the fund. To follow these principles, the historic value of the fund is always maintained in permanently restricted net assets. Earnings, including appreciation, that are not required by the donor to be reinvested in corpus are maintained in unrestricted net assets. As required by generally accepted accounting principles, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions. During fiscal year ended June 30, 2000, the donor amended the "Agreement to Donate" dated August 26, 1997, which revised the method of distributing the earnings to Second Harvest, whereby five percent of the average market value of the investment for the last 12 fiscal quarters will be distributed annually to Second Harvest. All amounts in excess of the five percent distribution are to be reinvested as corpus. The amended "Agreement to Donate" also required that the principal balance should never be reduced below \$1,000,000.

The amount deemed to be permanently restricted at June 30, 2010 and 2009 is \$1,000,000 and \$1,000,000, respectively.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

10. Endowment (continued)

Endowment Investment and Spending Policies. Second Harvest has adopted investment and spending policies, approved by the Board, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of these endowment assets over the long-term. The endowment's assets are invested in the Archdiocese of New Orleans' investment pool, as previously described. Second Harvest's spending and investment policies work together to achieve this objective. Spending is approved by the Board, based on the needs of Second Harvest.

Changes in the endowment for the year ended June 30, 2010 are as follows:

	Unrestricted	Permanently Restricted	Total
Endowment net assets,			
Beginning of year	\$ 191,391	\$ 1,000,000	\$ 1,191,391
Net realized and unrealized gains/losses	28,584	148,944	177,528
Subtotal	219,975	1,148,944	1,368,919
Transfer	148,944	(148,944)	-
Endowment net assets,			
End of year	<u>\$ 368,919</u>	<u>\$ 1,000,000</u>	<u>\$ 1,368,919</u>

11. Notes Payable

On December 30, 2009, Second Harvest LLC entered into an agreement to exchange property that had been previously contributed to it by Second Harvest (parent). The property acquired by Second Harvest LLC includes a warehouse and land. As part of the agreement, Second Harvest LLC assumed the mortgage. The assumed note totaled \$5,163,947 at a rate of 7.625%. As of June 30, 2010, the balance is \$5,119,385. As a result of the exchange, a gain of \$530,071 was recognized in the consolidated statement of activities. The total balance as of June 30, 2010 is classified as a current liability as the debt matures on January 5, 2011. Second Harvest anticipates refinancing the note.

12. Retirement Plans

Second Harvest offers a 401(k) defined contribution plan to its employees. Employees electing to participate in the plan are required to contribute a minimum of 3% of their salaries, and may elect to contribute up to a 16% maximum. The plan requires Second Harvest to contribute 3.5% of the participants' salaries. The plan expense also includes an additional 2.0% contribution by Second Harvest to cover costs for life insurance and disability insurance for the employees. Any remaining funds from the 2.0% contribution may be used as a discretionary employer contribution to the plan. The plan administrator is the Archdiocese. Second Harvest contributed \$56,437 and \$34,754, for the years ended June 30, 2010 and 2009, respectively.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

13. Leases

Second Harvest operates a portion of its community social service programs in leased facilities under operating leases expiring at various dates through the fiscal year 2012. The leases are subject to cancellation under certain circumstances, including substantial changes in funding in Second Harvest's programs. The following is a schedule by year of future minimum rental payments required under those leases and under equipment leases that have initial or remaining lease terms in excess of one year as of June 30, 2010.

<u>Year Ending June 30,</u>	<u>Amount</u>
2011	\$ 130,247
2012	<u>30,258</u>
Total	<u>\$ 160,505</u>

The rental expense for all operating leases for the years ended June 30, 2010 and 2009 approximated \$517,269 and \$235,462, respectively.

Second Harvest has a twelve month lease with a tenant with monthly rent of \$32,150 for approximately 85,000 square feet of dry warehouse space. This lease expires in May 2011 and has a one year renewal option.

14. Significant Contracts and Grants

For the years ended June 30, 2010 and 2009, \$12,796,349 and \$4,476,591, respectively, of Second Harvest's governmental financial assistance was from the U.S. Department of Agriculture. Management believes that Second Harvest is in compliance with the provisions of these contracts and grants and that the findings of an audit, if any, would not have a material impact on the consolidated financial statements.

As described in Note 1, Second Harvest entered into a Cooperative Endeavor Agreement with the Louisiana Department of Agriculture & Forestry on September 29, 2009 and July 29, 2008 for the years ended June 30, 2010 and 2009, respectively.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

14. Significant Contracts and Grants (continued)

Food purchased under the agreement during the year ended June 30 is as follows:

	2010		2009	
	Dollars	Pounds	Dollars	Pounds
Second Harvest	\$ 95,948	291,650	\$ 2,418,378	4,917,246
Greater Baton Rouge Food Bank	96,619	248,550	768,750	1,489,095
Central Louisiana Food Bank	97,518	247,626	567,500	1,082,364
Food Bank of Northwest Louisiana	95,064	332,472	567,500	1,125,449
Food Bank of Northeast Louisiana	97,003	220,518	527,250	1,058,791
Totals	<u>\$ 482,152</u>	<u>1,340,816</u>	<u>\$ 4,849,378</u>	<u>9,672,945</u>

15. Commitments and Contingencies

Second Harvest is exposed to various risks of loss from torts; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health and accident benefits. Commercial insurance coverage is purchased for claims arising from such matters. There were no settled claims that exceeded this commercial coverage during the year ended June 30, 2010.

16. Concentrations of Credit Risk

As of June 30, 2010, Second Harvest had bank accounts at one financial institution which exceeded the \$250,000 limit insured by the Federal Deposit Insurance Corporation (FDIC) by approximately \$4,301,106.

17. Board of Directors Compensation

The members of Second Harvest's Board were not compensated during the years ended June 30, 2010 and 2009.

18. Related Party Transactions

The Archdiocese, through the operations of the Administrative Offices, serves as a conduit in providing insurance coverage to Second Harvest. The Administrative Office assesses premiums to Second Harvest based on relevant factors for each type of coverage. In the normal course of operations, the Archdiocese will make available to Second Harvest specific assistance in the form of internet services. Second Harvest is assessed separately for this assistance. Second Harvest paid the Archdiocese \$117,879 and \$89,530 for general liability, property coverage, workmen's compensation and vehicle insurances and \$14,364 and \$12,804 for internet services secured on its behalf for the years ended June 30, 2010 and 2009, respectively.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

JUNE 30, 2010 AND 2009

18. Related Party Transactions (continued)

Certain accounting and administrative services are provided to Second Harvest by Catholic Charities, including human resources, payroll, and information technology. Second Harvest paid Catholic Charities \$53,792 and \$53,681 for these services for the years ended June 30, 2010 and 2009, respectively.

19. Subsequent Events

Management has evaluated subsequent events through the date that the consolidated financial statements were available to be issued, December 15, 2010, and determined that there were no items for disclosure.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2010

ASSETS

	Second Harvest without LANIAP	LANIAP	Second Harvest LLC	Eliminations	Totals
Current assets:					
Cash and cash equivalents	\$ 4,546,111	\$ 512	\$ 27,172	\$ -	\$ 4,573,795
Contributions receivable:					
Pledges	498,366	-	-	-	498,366
United Way	165,442	-	-	-	165,442
Grants receivable	450,748	-	-	-	450,748
Other receivables	55,979	-	186	-	56,165
Prepaid expenses	66,128	-	51,592	-	117,720
Investments	1,338,633	-	-	-	1,338,633
Inventory	2,303,800	-	-	-	2,303,800
Total current assets	9,425,207	512	78,950	-	9,504,669
Property and equipment - net	1,089,402	-	6,961,174	-	8,050,576
Investments, permanently restricted	1,000,000	-	-	-	1,000,000
Other assets	29,755	-	478,660	-	508,415
Investment in Second Harvest LLC	1,959,493	-	-	(1,959,493)	-
Due from Second Harvest LLC	407,756	-	-	(407,756)	-
Total assets	\$ 13,911,613	\$ 512	\$ 7,518,784	\$ (2,367,249)	\$ 19,063,660

LIABILITIES AND NET ASSETS

Current liabilities:					
Accounts payable and accrued expenses	\$ 631,883	\$ -	\$ -	\$ -	\$ 631,883
Unemployment accrual	20,496	-	-	-	20,496
Lease deposits	25,005	-	-	-	25,005
Deferred rent	-	-	32,150	-	32,150
Berkadia mortgage	-	-	5,119,385	-	5,119,385
Due to Second Harvest Food Bank	-	-	407,756	(407,756)	-
Total current liabilities	677,384	-	5,559,291	(407,756)	5,828,919
Net assets:					
Unrestricted	9,410,415	512	1,959,493	(1,959,493)	9,410,927
Temporarily restricted	2,823,814	-	-	-	2,823,814
Permanently restricted	1,000,000	-	-	-	1,000,000
Total net assets	13,234,229	512	1,959,493	(1,959,493)	13,234,741
Total liabilities and net assets	\$ 13,911,613	\$ 512	\$ 7,518,784	\$ (2,367,249)	\$ 19,063,660

See accompanying independent auditors' report.

(continued)

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA
CONSOLIDATING STATEMENT OF FINANCIAL POSITION

JUNE 30, 2009

ASSETS

	Second Harvest without LANIAP	LANIAP	Eliminations	Totals
Current assets:				
Cash and cash equivalents	\$ 5,231,495	\$ 86,368	\$ -	\$ 5,317,863
Unconditional promises to give:				
Pledges	839,866	10,000	(46,231)	803,635
United Way	139,950	-	-	139,950
Grants receivable	204,269	-	-	204,269
Other receivables	4,791	-	-	4,791
Accrued interest	6,139	-	-	6,139
Prepaid expenses	26,718	-	-	26,718
Investments	1,024,965	-	-	1,024,965
Inventory	1,962,669	-	-	1,962,669
Total current assets	9,440,862	96,368	(46,231)	9,490,999
Property and equipment - net	2,095,761	-	-	2,095,761
Investments, permanently restricted	1,000,000	-	-	1,000,000
Other assets	33,546	-	-	33,546
Total assets	\$ 12,570,169	\$ 96,368	\$ (46,231)	\$ 12,620,306

LIABILITIES AND NET ASSETS

Current liabilities:				
Accounts payable and accrued expenses	\$ 197,929	\$ 82,678	\$ (46,231)	\$ 234,376
Unemployment accrual	12,277	-	-	12,277
Total current liabilities	210,206	82,678	(46,231)	246,653
Net assets:				
Unrestricted	8,124,401	13,690	-	8,138,091
Temporarily restricted	3,235,562	-	-	3,235,562
Permanently restricted	1,000,000	-	-	1,000,000
Total net assets	12,359,963	13,690	-	12,373,653
Total liabilities and net assets	\$ 12,570,169	\$ 96,368	\$ (46,231)	\$ 12,620,306

**SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA
CONSOLIDATING STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2010

	Second Harvest without LANIAP			LANIAP			Second Harvest LLC			Eliminations			Totals		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Total	Unrestricted	Total	Unrestricted	Total	Unrestricted	Unrestricted	Temporarily Restricted	Permanently Restricted	Total		Total
Revenues															
Public support:															
Contributions, donations and grants	\$ 3,439,062	\$ 379,236	\$ -	\$ 3,818,298	\$ 19,017	\$ 19,017	\$ -	\$ -	\$ (24,300)	\$ 3,433,779	\$ 379,236	\$ -	\$ 3,813,015		
Disbursements of food, grocery and other products from producers and brokers	19,033,366	-	-	19,033,366	-	-	-	-	-	19,033,366	-	-	19,033,366		
Contributed goods and services	179,100	-	-	179,100	-	-	-	-	-	179,100	-	-	179,100		
United Way	-	-	-	-	-	-	-	-	-	-	-	-	-		
Greater New Orleans:															
Allotments	-	77,000	-	77,000	-	-	-	-	-	-	77,000	-	77,000		
Designations	62,712	-	-	62,712	-	-	-	-	-	62,712	-	-	62,712		
Combined Federal Campaign	31,207	-	-	31,207	-	-	-	-	-	31,207	-	-	31,207		
Academics:															
Allotments	30,000	-	-	30,000	-	-	-	-	-	30,000	-	-	30,000		
St. Charles:															
Allotments	-	62,950	-	62,950	-	-	-	-	-	-	62,950	-	62,950		
Special events (net of direct costs)	354,550	-	-	354,550	-	-	-	-	-	354,550	-	-	354,550		
Total public support	23,129,897	512,186	-	23,642,083	19,017	19,017	-	-	(24,300)	23,124,612	519,186	-	23,643,800		
Governmental financial assistance:															
Fees and grants from governmental agencies	1,188,282	-	-	1,188,282	-	-	-	-	-	1,188,282	-	-	1,188,282		
U.S.D.A. Food and Nutrition Assistance	11,608,067	-	-	11,608,067	500,000	500,000	-	-	-	11,608,067	-	-	11,608,067		
Other federal grants	178,617	-	-	178,617	500,000	500,000	-	-	(95,948)	362,669	-	-	362,669		
Total governmental financial assistance	13,974,966	-	-	13,974,966	1,000,000	1,000,000	-	-	(95,948)	13,979,018	-	-	13,979,018		
Other Revenues:															
Program generated	33,724	-	-	33,724	15,105	15,105	-	-	-	38,829	-	-	38,829		
Investment income (loss)	314,082	-	-	314,082	389	389	-	-	-	315,371	-	-	315,371		
Rental income	-	-	-	-	-	-	501,544	501,544	(260,712)	240,832	-	-	240,832		
Gain on exchange	-	-	-	-	-	-	530,071	530,071	-	530,071	-	-	530,071		
Other	284,735	-	-	284,735	-	-	-	-	-	284,735	-	-	284,735		
Earnings in Second Harvest LLC	653,511	-	-	653,511	-	-	-	-	-	(653,511)	-	-	-		
Net sales related from operations - operations	930,934	(930,934)	-	-	15,494	15,494	1,031,615	1,031,615	(914,223)	90,394	(930,934)	-	1,000,835		
Total other revenue	2,207,886	(930,934)	-	1,276,952	15,494	15,494	1,031,615	1,031,615	(914,223)	2,340,772	(930,934)	-	1,409,838		
Total revenue	38,312,749	(411,748)	-	37,901,001	534,511	534,511	1,031,615	1,031,615	(1,034,471)	38,844,409	(411,748)	-	38,432,660		
Expenses															
Program services	35,179,051	-	-	35,179,051	534,856	534,856	378,104	378,104	(380,960)	35,911,051	-	-	35,911,051		
Management and general	754,641	-	-	754,641	12,833	12,833	-	-	-	767,474	-	-	767,474		
Fundraising	800,043	-	-	800,043	-	-	-	-	-	803,043	-	-	803,043		
Total expenses	37,026,235	-	-	37,026,235	547,689	547,689	378,104	378,104	(380,960)	37,571,568	-	-	37,571,568		
Change in net assets	1,286,014	(411,748)	-	874,266	(13,178)	(13,178)	653,511	653,511	(653,511)	1,272,836	(411,748)	-	861,088		
Investment by Second Harvest	-	-	-	-	-	-	1,305,082	1,305,082	(1,305,082)	-	-	-	-		
Net Assets:															
Beginning of year	8,124,401	3,235,562	1,000,000	12,359,963	13,692	13,692	-	-	-	8,138,091	3,235,562	1,000,000	12,373,653		
End of year	9,410,415	2,823,814	1,000,000	13,234,229	512	512	1,959,493	1,959,493	-	9,410,977	2,823,814	1,000,000	13,234,791		

See accompanying independent auditor's report.

**SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA
CONSOLIDATING STATEMENT OF ACTIVITIES**

FOR THE YEAR ENDED JUNE 30, 2002

	Second Harvest without LANIAP			LANIAP		Eliminations		Totals		
	Unrestricted	Temporarily Restricted	Permanently Restricted	Unrestricted	Total	Unrestricted	Total	Unrestricted	Temporarily Restricted	Total
Revenues										
Public support:										
Contributions, donations and grants	\$ 2,913,631	\$ 314,644	\$ -	\$ 3,228,275	\$ 225,500	\$ (119,026)	\$ 3,314,644	\$ 3,020,108	\$ 314,644	\$ 3,334,749
Donations of food, grocery and other products from producers and buyers	23,309,305	-	-	23,309,305	-	(2,418,378)	20,890,927	20,890,927	-	20,890,927
Contributed goods and services	271,041	-	-	271,041	-	-	271,041	271,041	-	271,041
United Way	-	-	-	-	-	-	-	-	-	-
Greater New Orleans:										
Allocations	100,000	77,000	-	177,000	-	-	177,000	100,000	77,000	177,000
Designations	50,239	-	-	50,239	-	-	50,239	50,239	-	50,239
Combined Federal Campaign	32,195	-	-	32,195	-	-	32,195	32,195	-	32,195
Acadiana:										
Allocations	30,000	-	-	30,000	-	-	30,000	30,000	-	30,000
St. Charles:										
Allocations	10,000	62,950	-	72,950	-	-	72,950	10,000	62,950	72,950
Special events (net of direct costs)	(12,604)	-	-	(12,604)	-	-	(12,604)	(12,604)	-	(12,604)
Total public support	26,703,807	454,594	-	27,158,401	225,500	(2,537,404)	24,391,903	24,391,903	454,594	24,846,497
Governmental financial assistance:										
Fees and grants from federal agencies	1,011,522	-	-	1,011,522	-	-	1,011,522	1,011,522	-	1,011,522
U.S.D.A. commodities	3,816,754	-	-	3,816,754	-	-	3,816,754	3,816,754	-	3,816,754
Other non-Federal grants	-	-	-	-	5,000,000	-	5,000,000	5,000,000	-	5,000,000
Total governmental financial assistance	4,828,276	-	-	4,828,276	5,000,000	-	9,828,276	9,828,276	-	9,828,276
Other Revenue:										
Program generated	180,617	-	-	180,617	-	(163,120)	17,497	17,497	-	17,497
Investment income (loss)	(263,654)	-	(154,312)	(417,966)	16,676	-	(246,978)	(246,978)	(154,312)	(401,290)
Other	26,025	-	-	26,025	15,000	-	41,025	41,025	-	41,025
Net assets released from restrictions - operations	495,165	(495,165)	-	-	-	-	(495,165)	(495,165)	-	-
Total other revenue	438,153	(495,165)	-	(31,224)	31,676	(163,120)	306,709	306,709	(154,312)	(342,765)
Total revenue	31,970,236	(40,571)	(154,312)	31,775,353	5,257,176	(2,700,524)	34,526,888	34,526,888	(154,312)	34,332,005
Expenses										
Program services	31,248,491	-	-	31,248,491	5,076,924	(2,537,404)	33,788,011	33,788,011	-	33,788,011
Management and general	679,635	-	-	679,635	166,073	(163,120)	682,588	682,588	-	682,588
Fundraising	723,898	-	-	723,898	-	-	723,898	723,898	-	723,898
Total expenses	32,652,024	-	-	32,652,024	5,242,997	(2,700,524)	35,194,497	35,194,497	-	35,194,497
Change in net assets	(681,788)	(40,571)	(154,312)	(876,671)	14,179	-	(667,609)	(667,609)	(154,312)	(862,492)
Net Assets										
Beginning of year	8,806,189	3,276,133	1,154,312	13,236,634	(489)	-	8,805,700	3,276,133	1,154,312	13,236,145
End of year	\$ 8,124,401	\$ 3,235,562	\$ 1,000,000	\$ 12,359,963	\$ 13,690	\$ -	\$ 8,138,091	\$ 3,235,562	\$ 1,000,000	\$ 12,373,653

**SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA
CONSOLIDATING STATEMENT OF FUNCTIONAL EXPENSES**

FOR THE YEAR ENDED JUNE 30, 2019

	Second Harvest without LANIAP			LANIAP		Second Harvest LLC		Totals		
	Program Services	Management and General	Fundraising	Program Services	Management and Financial	Program Services	Total	Program Services	Management and General	Fundraising
Salaries	\$ 1,781,108	\$ 366,089	\$ 281,817	\$ -	\$ -	\$ -	\$ -	\$ 1,817,732	\$ 366,089	\$ 281,817
Employee benefits	207,860	47,447	55,002	4,151	4,151	-	-	212,091	47,447	55,002
Payroll taxes	129,681	20,722	27,278	2,770	2,770	-	-	132,371	20,722	27,278
	<u>2,118,649</u>	<u>434,258</u>	<u>344,097</u>	<u>43,545</u>	<u>43,545</u>	<u>-</u>	<u>-</u>	<u>2,162,194</u>	<u>434,258</u>	<u>344,097</u>
Total salaries and related expenses										
Professional fees and contract services	143,241	149,989	26,347	5,150	5,150	2,114	2,114	150,505	149,989	26,347
Supplies	(13,449)	9,611	24,367	553	553	-	-	119,984	9,611	24,367
LANIAP Administration fees	-	-	-	-	-	-	-	-	-	-
Consultant fees	117,760	66,367	11,874	176	176	-	-	174,266	66,367	11,874
Equipment expense	723,156	61	23,302	284	284	-	-	464,723	61	23,302
Compancy	633,038	2,150	1,540	1,786	1,786	-	-	636,854	2,150	1,540
Travel and transportation	106,600	81,531	38,814	75	75	-	-	106,705	81,531	38,814
Personnel recruitment and development	6,556	-	-	-	-	-	-	17,532	-	-
Insurance	298,714	-	346,026	-	-	51,876	51,876	298,714	-	346,026
Mailings and solicitations	30,404,037	-	-	-	-	-	-	30,404,037	-	-
Food distributed to member agencies	-	-	-	95,948	95,948	-	-	95,948	-	-
Food purchased on behalf of LFPA	-	-	-	386,204	386,204	-	-	386,204	-	-
Interest expense on mortgage	430,097	8,828	33,776	1,153	1,153	171,194	171,194	431,250	8,828	33,776
Other operating expenses	-	-	-	-	-	24,300	24,300	431,250	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-
Depreciation	219,104	1,446	2,340	-	283	-	128,620	347,724	1,446	2,340
	<u>535,379,051</u>	<u>753,641</u>	<u>893,043</u>	<u>\$ 574,856</u>	<u>\$ 12,833</u>	<u>\$ 378,104</u>	<u>\$ 378,104</u>	<u>\$ 34,911,051</u>	<u>\$ 707,474</u>	<u>\$ 893,043</u>
Total expenses										

See accompanying independent auditors' report.

(continued)

FOR THE YEAR ENDED JUNE 30, 2009

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**SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA
SCHEDULE OF SUPPORT REVENUE AND EXPENSES PREPARED
FOR THE UNITED WAY FOR THE GREATER NEW ORLEANS AREA**

**FOR THE YEAR ENDED JUNE 30, 2010
(UNAUDITED)**

FORM 1

FUNCTIONAL BUDGET SPREADSHEET		AGENCY TOTAL (SUM 2 + 3)	ADMINISTRATION FUNDRAISING <small>Management & General</small>	TOTAL PROGRAM SERVICES SUM (4 to 7)	Second Harvest	PROGRAM SERVICES	
		1	2	3	4	5	6
REVENUE: (For United Way request, indicate Goal Areas)							
1	4201 CLIENT GENERATED SELF SUPPORT	\$ 23,379,931	\$ -	\$ 23,379,931	\$ 23,379,931	\$ -	\$ -
2	5000 GOVERNMENT GRANTS/CONTRACTS	13,379,018	-	13,379,018	13,379,018	-	-
3	4800 OTHER FOUNDATIONS OR NATIONAL GRANTS	-	-	-	-	-	-
4	6700 OTHER REVENUE	1,409,838	-	1,409,838	1,409,838	-	-
5	TOTAL SELF GENERATED REVENUE	38,168,787	-	38,168,787	38,168,787	-	-
6	4702 UNITED WAY DESIGNATIONS	62,712	-	62,712	62,712	-	-
7	4703 CFC DESIGNATIONS	31,207	-	31,207	31,207	-	-
8	4704 OTHER UNITED WAY GRANTS	169,950	-	169,950	169,950	-	-
9	TOTAL REVENUE	38,432,656	-	38,432,656	38,432,656	-	-
10	4701 UNITED WAY GNO REQUEST	-	-	-	-	-	-
11	GRAND TOTAL REVENUE	\$ 38,432,656	\$ -	\$ 38,432,656	\$ 38,432,656	\$ -	\$ -
EXPENSES:							
12	7000 SALARIES	\$ 2,430,032	\$ 612,300	\$ 1,817,732	\$ 1,817,732	\$ -	\$ -
13	7100 BENEFITS	303,859	91,768	212,091	212,091	-	-
14	7200 TAXES	176,464	44,093	132,371	132,371	-	-
15	8400 OCCUPANCY EXPENSES	499,419	34,691	464,728	464,728	-	-
16	8700 TRAVEL & TRANSPORTATION EXP.	642,432	5,578	636,854	636,854	-	-
17	8100 OFFICE SUPPLIES	147,555	27,571	119,984	119,984	-	-
18	8600 PRINTING	566,696	267,982	298,714	298,714	-	-
19	8900 DIRECT ASSISTANCE TO INDIVIDUALS	30,850,317	60,076	30,790,241	30,790,241	-	-
20	9400 OTHER	1,700,765	262,427	1,438,336	1,438,336	-	-
21	GRAND TOTAL EXPENSES	\$ 37,317,537	\$ 1,406,486	\$ 35,911,051	\$ 35,911,051	\$ -	\$ -
22	NET DIFFERENCE	\$ 1,115,119	\$ (1,406,486)	\$ 2,521,605	\$ 2,521,605	\$ -	\$ -
EXPENSES ANALYSIS:							
23-Total Direct Program Expenses		\$ 35,911,051	-	-	-	-	-
24-Percent of Total Program Expenses		100.00%	0.00%	0.00%	0.00%	0.00%	0.00%
25-Distribution of M & G Expenses		\$ 1,406,486	-	-	-	-	-
26-Grand Total Program Expenses		\$ 37,317,537	-	-	-	-	-
27-Projected Undup. People Served		262,800	-	-	-	-	-
28-Cost per Person		142	-	-	-	-	-

See accompanying independent auditors' report.

**SECOND HARVEST FOOD BANK OF GREATER
NEW ORLEANS AND ACADIANA**

SINGLE AUDIT REPORT

JUNE 30, 2010



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SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

SINGLE AUDIT REPORT

YEAR ENDED JUNE 30, 2010

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**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

Board of Directors, Catholic Charities Archdiocese of New Orleans, and
Board of Directors, Second Harvest Food Bank of Greater New Orleans and Acadiana

We have audited the consolidated financial statements of Second Harvest Food Bank of Greater New Orleans and Acadiana (a nonprofit organization) (Second Harvest) as of and for the year ended June 30, 2010 and have issued our report thereon dated December 15, 2010. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing our audit, we considered Second Harvest's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the consolidated financial statements, but not for the purpose of expressing an opinion on the effectiveness of Second Harvest's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of Second Harvest's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's consolidated financial statements will not be prevented, or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Second Harvest's consolidated financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board, Second Harvest's management, and the State of Louisiana Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postlethwaite & Neffville

Metairie, Louisiana
December 15, 2010

**REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO
EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
AND THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

Board of Directors, Catholic Charities Archdiocese of New Orleans, and
Board of Directors, Second Harvest Food Bank of Greater New Orleans and Acadiana

Compliance

We have audited the compliance of Second Harvest Food Bank of Greater New Orleans and Acadiana (a nonprofit organization) (Second Harvest), with the types of compliance requirements described in the U. S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended June 30, 2010. Second Harvest's major federal programs are identified in the summary of auditors' results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of Second Harvest's management. Our responsibility is to express an opinion on Second Harvest's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Second Harvest's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination on Second Harvest's compliance with those requirements.

In our opinion, Second Harvest complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended June 30, 2010.

Internal Control over Compliance

The management of Second Harvest is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered Second Harvest's internal control over compliance with the requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of control deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

Schedule of Expenditures of Federal Awards

We have audited the basic financial statements of Second Harvest as of and for the year ended June 30, 2010, and have issued our report thereon dated December 15, 2010. Our audit was performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of expenditures of federal awards is presented for purposes of additional analysis as required by OMB Circular A-133 and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

This report is intended solely for the information and use of the Board, Second Harvest's management and federal awarding agencies and pass-through entities, such as the State of Louisiana and Legislative Auditor's Office and is not intended to be and should not be used by anyone other than these specified parties. However, under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

Postbethe White & McHersille

Metairie, Louisiana
December 15, 2010

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

Schedule of Expenditures of Federal Awards

Year ended June 30, 2010

Federal Grantor / Pass-Through Agency / Program Title	Federal CFDA Number	Federal Expenditures
<u>U.S. Department of Agriculture</u>		
Pass-through programs from:		
Louisiana Department of Agriculture and Forestry		
Emergency Food Assistance Program (Administrative Costs)	10.568	\$ 650,386
Emergency Food Assistance Program (Commodities)	10.569	11,608,067
Emergency Food Assistance Program (Administrative Costs)- ARRA	10.568	297,143
<u>U.S. Department of Housing and Urban Development</u>		
Pass-through program from:		
Office of Recovery and Development Administration, City of New Orleans		
Community Development Block Grant	14.218	35,977
<u>U.S. Department of Education</u>		
Pass-through program from:		
Summer Food Service Program	10.555	15,487
<u>U.S. Department of Homeland Security</u>		
Pass-through program from:		
United Way of Acadiana		
Emergency Food & Shelter National Board Program	97.024	<u>189,289</u>
Total Federal Awards		<u>\$ 12,796,349</u>

See accompanying notes to the schedule of expenditures of federal awards.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

Notes to Schedule of Expenditures of Federal Awards

Year Ended June 30, 2010

1. **General**

The accompanying Schedule of Expenditures of Federal Awards presents the activity of all federal awards of Second Harvest Food Bank of Greater New Orleans and Acadiana (Second Harvest). Second Harvest's reporting entity is defined in Note 1 to the consolidated financial statements for the year ended June 30, 2010. All federal awards received directly from federal agencies are included on the schedule, as well as federal awards passed-through other government agencies.

2. **Basis of Accounting**

The accompanying Schedule of Expenditures of Federal Awards is presented using the accrual basis of accounting, which is described in Note 1 to Second Harvest's consolidated financial statements for the year ended June 30, 2010.

3. **Relationship to Consolidated Financial Statements**

Federal revenues of \$12,796,349 are reported on the consolidated Statement of Activities as unrestricted fees and grants from federal agencies of \$1,188,282 and U.S.D.A commodities of \$11,608,067.

4. **Food Distribution**

Non-monetary assistance is reported in the schedule at the fair market value of the commodities received and disbursed.

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

Schedule of Findings and Questioned Costs

Year ended June 30, 2010

(1) Summary of Auditors' Results

Financial Statements

The type of report issued on the financial statements: unqualified opinion

Internal control over financial reporting:

- Material weakness(es) identified? no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? no

Noncompliance material to the financial statements noted? no

Federal Awards

Internal controls over major programs:

- Material weakness(es) identified? no
- Significant deficiency(ies) identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: unqualified opinion

Any audit findings which are required to be reported under Section 510(a) of OMB Circular A-133? no

Major programs:

United States Department of Agriculture:

Passed through Louisiana Department of Agriculture and Forestry

Emergency Food Assistance Program (Administrative Costs)	10.568
Emergency Food Assistance Program (Administrative Costs) - ARRA	10.568
Emergency Food Assistance Program (Commodities)	10.569

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

Schedule of Findings and Questioned Costs, Continued

Year ended June 30, 2010

(1) Summary of Auditors' Results, continued

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as a low-risk auditee under Section 530 of
OMB Circular A-133: yes

**(2) Findings Relating to the Financial Statements Reported in Accordance
with Government Auditing Standards:** none

(3) Findings and Questioned Costs relating to Federal Awards: none

SECOND HARVEST FOOD BANK OF GREATER NEW ORLEANS AND ACADIANA

Summary Schedule of Prior Audit Findings

Year ended June 30, 2010

There were no audit findings in the prior year.